

The Female Entrepreneur Economy

March 2017



NatWest

Introduction

As a committed supporter of female entrepreneurs, NatWest aims to support more women to start up and succeed in business through its unique Women in Business Programme. NatWest has created over 400 roles within the bank that are dedicated to providing tailored support for female entrepreneurs. From introductions to relevant organisations to tangible day-to-day support, their ambition is to go beyond providing financial services and help female entrepreneurs achieve business success.

To support this aim, NatWest - in conjunction with Development Economics - has conducted new research to assess the extent of **female contribution to business formation and economic growth in the UK from 2002-2015**. This in-depth research provides just another reason why women should be given as many opportunities and as much support possible to help them realise their business goals.

As well as analysing the contribution at a UK level, the findings explore activity in the **UK's constituent counties and regions**, as well as a selected group of **city-regions**.

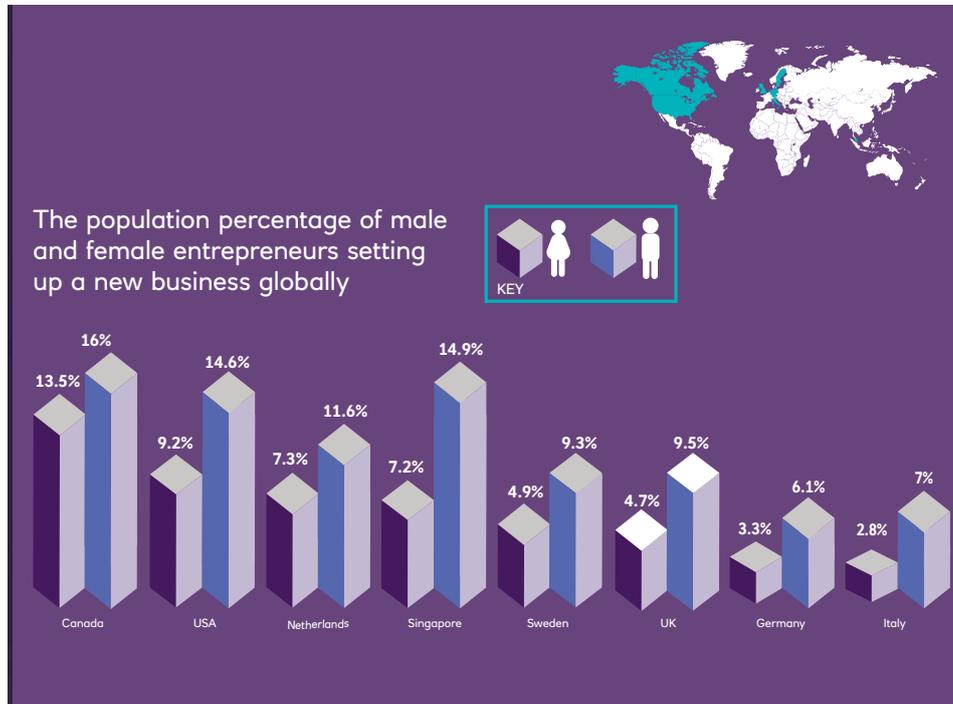
The research also examines the rate of female entrepreneurship in other countries around the world in order to assess how the UK compares to its global counterpart.

Data on rates of female entrepreneurship in the UK and for international comparators has been obtained from published and online data produced by the Global Entrepreneurship Monitor (with data pertaining to the time period 2002-2015). The research also utilises UK data published by the Office for National Statistics (ONS) on a range of indicators at a national, regional and local authority level. For further information on the research methodology please see the appendix.

Research findings

The UK is generally regarded as an enterprise friendly economy. However, while the UK is a good performer in relation to other European countries, it is lagging behind other countries such as the US and Canada, which have a significantly higher proportion of new female entrepreneurs.

The population percentage of male and female entrepreneurs setting up a new business globally



During 2015 a fraction (4.7%) of the UK's female working population set up, or were in the process of setting up, their own business. This compares to 13.5% of women in Canada and 9.2% of women in the USA.

If the UK were to have emulated the growth of its commonwealth neighbour Canada, which proportionally has the highest number of new female entrepreneurs, the UK economy would have enjoyed an additional £1.35bn in 2015..

Female entrepreneurs contributed £3.51billion to the UK economy in 2015 alone



This contribution represents nearly a tenth (7.3%) of the UK economy's increase in growth over the same period of time. The launch of over 100,000 new businesses by women in 2015 alone resulted in a sizeable boost to the UK economy.

The sheer contribution made by women shows the importance of supporting aspiring female entrepreneurs to take the first step.

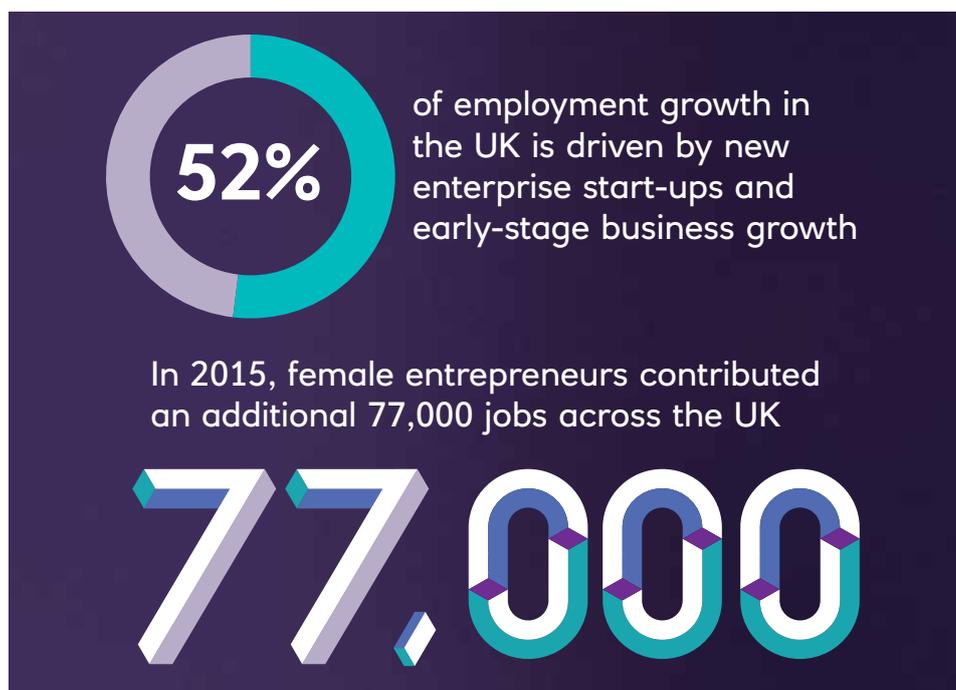
New female-owned businesses and jobs created across the UK



There has been a notable increase in the number of businesses started by women. Between 2002 and 2006 women were, on average, starting around 60,000 businesses per annum in the UK. Encouragingly, the number of women-led businesses have increased every year between 2006 and 2013.

However this growth has since tailed off, which has had a knock-on effect on the amount of new jobs created by female entrepreneurs.

798,000 jobs in the UK have been generated by businesses started by women



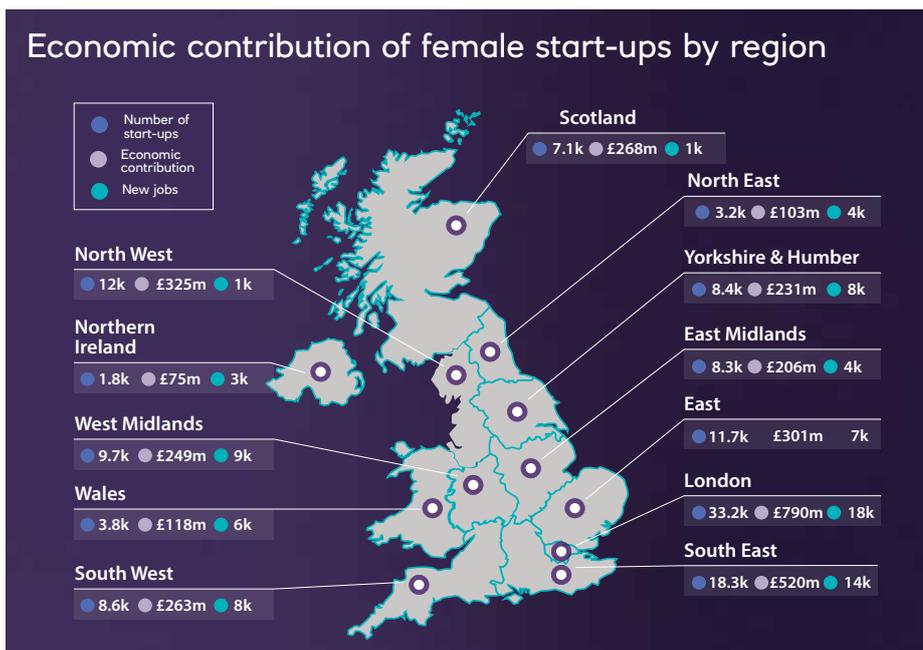
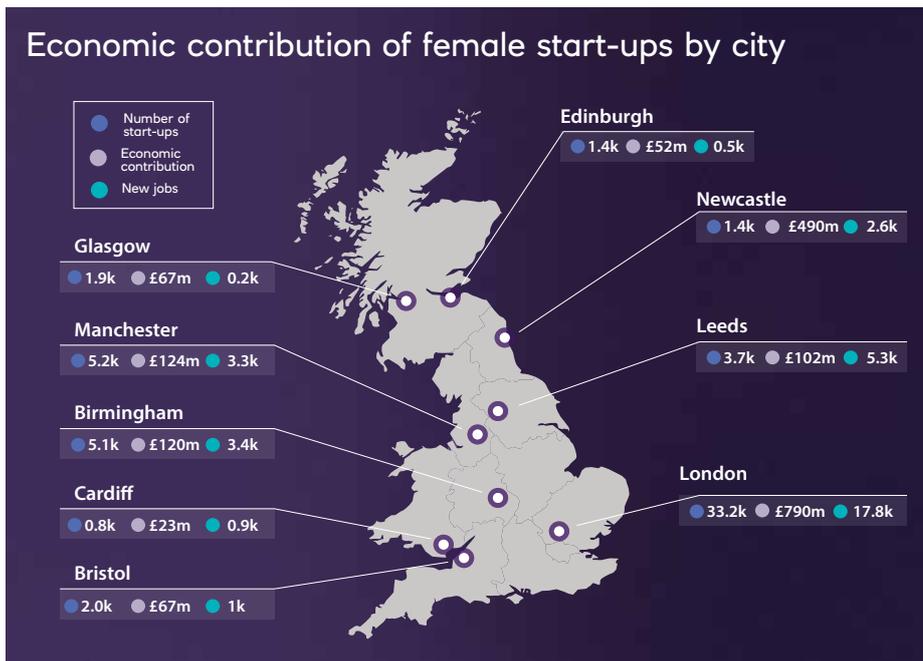
52% of all employment growth in the UK economy is driven by new enterprise start-ups and early-stage business growth (the other 48% can be attributed to growth of small, medium-sized and larger businesses, plus growth in public sector employment such as in public health and education).

There is no gender-based breakdown of this statistic, but there is no evidence to suggest that female owned and managed businesses are less successful than those established by males. For the purpose of this research, it is therefore considered appropriate to apply the 52% proportion to job growth experienced by the UK economy over the 2002-2015 period.

It is estimated that, in cumulative terms, around 798,000 jobs in the UK have been generated by businesses started by women over the 2002-2015 period. In 2015 alone, female entrepreneurs in the UK were responsible for setting up almost 126,000 businesses, which led to the creation of 77,000 jobs in 2015.

Economic contribution of female start-ups in the UK

The research identified certain areas in the UK that are more likely to house female entrepreneurs. Unsurprisingly London is the most popular location, with 33,200 new companies launched by women in the capital during 2015. London was followed by Manchester (5,200) and Birmingham (5,100).



Number of businesses launched by women in 2015:

City	Start-ups	City	Start-ups	City	Start-ups
1. London	33,200	4. Leeds	3,700	7. Glasgow	1,900
2. Manchester	5,200	5. Newcastle	1,400	8. Edinburgh	1,400
3. Birmingham	5,100	6. Bristol	2,000	9. Cardiff	800

Appendix

Methodology

Indicator	Data source(s) used	Spatial level	Time period	Comment
New start-ups	1. Business Demography datasets	UK, regions, local authorities	1.2010-2015	Business demography datasets replaced VAT count data from 2010 onwards
	2. VAT registrations		2.2002-2009	
Employment growth	1. ONS Workforce jobs	UK, regions, local authorities	2002-2015	Workforce jobs data is only available at a UK and regional level. Data on employees and self-employment is available at a local authority level and provides a very close approximation to workforce jobs.
	2. ONS BRES survey and ABI (employees)			
	3. ONS Annual Population survey (self-employed)			
Economic output	ONS GVA datasets	UK, Regions, Sub-regions and larger individual local authorities	2002-2015	

Data on rates of female entrepreneurship in the UK and for international comparators has been obtained from published and online data produced by the Global Entrepreneurship Monitor (GEM). The most recent published annual report for the UK is for the year 2015. The GEM report is produced following an extensive survey of individuals across the UK and other countries, with questions focusing on business formation intentions and the experiences of those who have started a business.

The research also utilises UK data published by the Office for National Statistics (ONS) on a range of indicators at a national, regional and local authority level. In particular, ONS data on the following indicators were used in the research, with data pertaining to the time period 2002-2015:

Assumptions regarding the proportion of employment growth that is attributable to new business start-ups and early stage business growth have been developed based on research published by the OECD.¹

¹ OECD Directorate for Science, Technology and Innovation Policy Note: No Country for Young Firms? June 2016

NatWest

NatWest serves customers in England and Wales, supporting them with their personal, private, and business banking needs. NatWest helps customers at all stages in their lives, from opening student accounts, to buying their first home, setting up a business, and saving for retirement.

Alongside a wide range of banking services, NatWest offers businesses specialist sector knowledge in areas such as manufacturing and technology, as well as access to specialist entrepreneurial support.

NatWest has been running MoneySense, an impartial financial education programme for 5–18 year-olds, for more than 21 years. By the end of 2018, NatWest will help another 1 million young people to understand and take control of their finances.

How does NatWest support women in business?

NatWest's unique Women in Business Programme aims to support more to start up and success in business. NatWest has more than 400 externally accredited Women in Business specialist relationship managers & directors offering tailored support for women-led businesses throughout the UK.

We work in partnership with a number of organisations to better support our WiB specialists and customers including everywoman, The National Black Women's Network, Women's Enterprise Scotland, WeConnect & Asian Women of Achievement.

About Development Economics

Steve Lucas, managing director at Development of Economics, is a highly regarded economist with over 20 years' experience of working in the UK. His firm provides incredibly robust research, market analysis and advice for private and public sector clients.

To read more about Development of Economics, please visit www.developmenteconomics.co.uk.



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